



PROGRESS

SUMMER 2012

A PUBLICATION OF CALAMCO

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Message to Shareholders

As reported in our *Spring 2012 Progress* issue, anhydrous ammonia prices on the world market hit bottom over the winter months. Unfortunately, such levels were not sustainable since prices had fallen below production cost for most international ammonia producers, causing many ammonia plants to curtail or halt production.

With the spring season upon us, the international ammonia market saw a sharp rebound in pricing. The price recovery came on the back of tighter supply due to extensive cutbacks by suppliers as world demand began to pick up steam. Throughout our spring season, world market pricing continued to firm. Demand in the United States was strong, buoyed up by estimates from the USDA on corn plantings. Predictions are for 95.9 million acres of corn to be planted in 2012, which would represent a record planted acreage in the U.S. since 1937 when an estimated 97.2 million acres were planted.

As we enter summer, ammonia pricing continues to firm due to supply shortfalls and steady demand. Typically, we experience a slight softening in world pricing once the heavy spring demand falls off, however, this year that doesn't seem to be the case – at least not yet.



BOB BROWN, PRESIDENT/CEO

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A Partnership with Growers

CALAMCO Awards \$1000 Scholarship to Lauren Friend of Tulare



We would like to congratulate Lauren Friend for being the recipient of CALAMCO's \$1000 Scholarship for 2012. Lauren is a 2012 Graduate of Mission Oak High School in Tulare; graduating with a 4.1 grade point average! Lauren plans to attend Texas A & M University this fall majoring in Agriculture Economics and Business. Once she receives her degree, Lauren hopes to work in world trade and participate in producing food that will help to feed the world.

We were extremely pleased to receive a number of excellent applications and were very impressed by all of the individuals that applied. They are all very deserving students that have worked very hard throughout their academic career, and plan to further their education in agriculture at a variety of universities. We wish them the best of luck in achieving their goals as they set out on this next exciting phase in their lives. Our industry is extremely fortunate to have so many bright and ambitious students interested in pursuing careers in agriculture!

Lyman/Tremont Group Named Agriculture Retailer Association Retailer of The Year



Left to right: Johnny Council and Les Lyman.

Congratulations to the Lyman/Tremont Group for being awarded the Agriculture Retailer Association 2011 Retailer of the Year at the annual ARA conference held in Boca Raton, Florida this past November! Winning this award is quite an honor as the winner is chosen from retailers throughout the United States that exceed customer expectations, successfully leads by outstanding and innovative business practices, and demonstrates environmental stewardship and sustainability, along with a variety of other criteria.

The Lyman/Tremont Group is two companies with the same top management team based in Woodland, CA. Entrepreneurial managers are employed for each of the 14 separate operations

and facilities spread across northern California agriculture regions north, west and south of Sacramento. Besides agricultural retail fertilizer and chemical facilities, the companies have a seed division, trucking division, agricultural parts/hardware stores and wholesale fertilizer division (both wholly owned and joint venture).

The ultimate leadership comes from Les Lyman, chairman, and Johnny Council, CEO and president, plus a board of directors. Harvey Lyman was the founder of the company 57 years ago, and Les has been the visionary for the tremendous growth of the company.

It was 1954 when Harvey Lyman ventured out on his own to form Harvey Lyman Chemicals at Walnut Grove, and in 1974, Les joined his father's company. "The Walnut Grove site is the springboard for everything else that has been done as the combined Lyman/Tremont Group," explained Council.

Success in growth, valued employees, dedication to customer service, commitment to community involvement and environmental stewardship is the basis for why the Lyman/Tremont Group was selected the Agricultural Retailers Association 2011 Retailer of the Year.

Excerpt from AG Professional January 2012 issue
By Richard Keller, editor

The 4R Nutrient Stewardship Initiative

Have you heard of 4R nutrient stewardship? In 2011, that was a question The Fertilizer Institute (TFI) asked members of Congress, representatives of the U.S. Department of Agriculture (USDA) and the U.S. Environmental Protection Agency (EPA), the agricultural community and even its own members.

4R nutrient stewardship is simply the use of the Right fertilizer source at the Right rate, Right time and in the Right place. More specifically, 4R nutrient stewardship is an agronomic framework that is designed to increase agricultural production, boost farmer profitability and enhance environmental protection. It is also the U.S. fertilizer industry's best defense for navigating an increasingly complex regulatory environment.

Properly managed fertilizers support cropping systems that provide economic, social and environmental benefits. On the other hand, poorly managed nutrient applications can decrease profitability and increase nutrient losses, potentially degrading water and air.

4R nutrient stewardship requires the implementation of best management practices (BMP's) that optimize the efficiency of fertilizer use. The goal of fertilizer BMPs is to match nutrient supply with crop requirements and to minimize nutrient losses.

Selection of BMPs varies by location, and those chosen for a given farm are dependent on local soil and climate conditions, crop, management conditions and other site specific factors.

Other agronomic and conservation practices, such as no-till farming and the use of cover crops, play a valuable role in supporting 4R nutrient stewardship. As a result, fertilizer BMPs are most effective when applied with other agronomic and conservation practices.

In March, the Institute formally launched its 4R nutrient stewardship initiative, a multifaceted project that features an online resource, www.nutrientstewardship.com. The website, which is a collaborative effort of TFI, the International Plant Nutrition Institute, the Canadian Fertilizer Institute and the International Fertilizer Industry Association, serves as an online clearinghouse of information on 4R-related tools and resources aimed at increasing awareness and adoption of the 4Rs among agricultural retailers and producers.

CALAMCO will to continue to keep our membership updated with information about the nutrient stewardship program as it becomes available.

The Fertilizer Institute

CALAMCO Sycamore Aqua Facility



Prior to our spring season, plant manager Darin Peterson was busy with various updates and maintenance projects at the Sycamore facility, which is located just outside of Colusa in the heart of northern California's rice country. The latest updates are the culmination of a three-year site improvement project, designed to enhance plant efficiency as well as safety and security measures.

The various projects included adding containment for our aqua storage tanks, installing concrete loading pads, upgrading our load-out racks and painting all aqua tanks and piping.

Reinforced concrete bulkheads were added to all four of our anhydrous ammonia offload stations, and an additional compressor was added to increase our offload capacity. New check valves and remote shutoffs were installed to NH₃ outlets from trucks as well as to our aqua converters.

During the peak time months of April and May, CALAMCO shipped 69,000 tons of aqua from our Sycamore facility. Year to date, we have shipped in excess of 75,600 tons, which is on track to be our second biggest year ever for aqua shipped from this facility!



SAFETY

Avoiding Office Hazards

Most of our safety articles focus on the prevention of injuries to outdoor workers. You don't think of an office as being dangerous, but any number of hazards can cause serious injuries. In an office setting:

- There can be fire hazards;
- Employees may need first aid or medical attention;
- Improper housekeeping can lead to slip, trip, and fall hazards;
- Materials need to be manually lifted;
- Electrical appliances may become damaged;
- Employees can be exposed to chemical hazards.

Keep an eye out for hazards

Hazards have to be identified before something can be done to control them. If you notice a hazardous situation, report it

before it can cause an injury. Some things to watch for can include:

- Blocked access to fire extinguishers, fire alarms and exits;
- Wet floors;
- Tripping hazards (loose carpet or tiles, cords or materials in walkway, etc.);
- Burnt out lights;
- Damaged cords and plugs;
- Overloaded outlets;
- Unlabeled containers of chemical products.

Know how to stay safe

Following safety rules is as important in an office as it is in any workplace. The rules are in place for your protection.

- Source J.J. Keller & Associates, Inc.

*Questions or comments can
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